

The CHAIRMAN: Gentlemen, you have heard the president's report.

Mr. CHOWN: Are you having any difficulty in unloading these DC-3's? I presume there is a ready market for them?

Mr. MCGREGOR: The market has deteriorated over the last year and a half because other airlines are in the same position of having surplus DC-3's. It is a little early to say, however, I think all the DC-3's that have become redundant to the fleet requirement will have been sold within the next few weeks.

Mr. SMITH (*Calgary South*): Could I ask how you intend to proceed with the examination of this report? I would also like to know what the position is in respect of discussions that have taken place previously in regard to competition with T.C.A.

The CHAIRMAN: I think in regard to the first portion of your question, Mr. Smith, that we will proceed as we did in regard to the annual report of the C.N.R. We will proceed with the subjects listed under the headings in this report.

Mr. BROOME: What about the second part of his question?

Mr. SMITH (*Calgary South*): The point I raised was, in the evidence of a previous meeting there was some discussion with respect to the T.C.A. and competition.

The CHAIRMAN: You are speaking of competition of private ownership?

Mr. SMITH (*Calgary South*): I had in mind transcontinental competition. However, it has occurred to me that this may not be relevant to this particular discussion. I think we should have a discussion in this regard and if it is going to be introduced I would like to know at what point in these proceedings.

The CHAIRMAN: I do not think such a discussion relates to this report.

Mr. MCGREGOR: I might mention the fact that there have been applications submitted for transcontinental routes by two other carriers. An application was made to the Air Transport Board. The Air Transport Board has declared its intention of having a hearing. I think perhaps it would be prejudicial to that hearing if this subject were discussed here.

Mr. SMITH (*Calgary South*): I agree with that settlement. That is the reason I asked the question.

Mr. FISHER: Is there a possibility that we will be allowed to discuss the Wheatcroft report?

Mr. HEES: As I said in the House of Commons, Mr. Chairman, that report was primarily made for the guidance of the Air Transport Board in examining this whole matter. I think it should be treated as such. I do not intend to discuss it here.

Mr. CHEVRIER: Mr. Chairman, surely there must be some possibility of discussing competition generally? I can well understand the reason for not discussing the application which is before the Air Transport Board, which is a semi-judicial body and is to some extent raise *judicata*, but surely we can, without going into that, get Mr. McGregor opinion in regard to competition.

For instance, what does he think about competition by another airline or by other airlines having regard to the increased cost of these new aircraft, and having regard to density of traffic for instance? Surely there would be no objection to that type of discussion.

The CHAIRMAN: This might be desirable and interesting from your point of view but I do not think it would be fair to Mr. McGregor as president of T.C.A. to put him on the spot as to his opinions of competition.